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SUBJECT: JAISHANKAR'S POST GAME ANALYSIS OF U/S EDELMAN
VISIT AND INDO-US MIL-MIL TIES

REF: NEW DELHI 7661

Classified By: CDA Geoffrey R. Pyatt for Reasons 1.4 (b and d)

11. (C) Summary: In a recent meeting with the DCM, MEA Joint Secretary (Americas) Dr. Jaishankar provided his analysis of

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Under Secretary of Defense for Policy Eric Edelman's November visit. Agreeing that substantive developments occurred and the ability of both sides to work collaboratively had evolved, Jaishankar particularly noted increased Indian levels of comfort in working with the USG. He pointed to "big" progress since the November 2005 Defense Policy Group (DPG) meeting and commented that Edelman's working style provided a boost for high-level coordination. While there remain minor turf issues within the Indian Ministry of Defense (MoD) and hurdles before finalizing the multi-role combat aircraft (MRCA) contract, Jaishankar and the DCM agreed that our bilateral military-to-military relationship continues to clip along at an ever increasing pace, and possesses significant potential for both sides. End Summary.

Continued DPG Progress: Rising GoI Comfort Levels

¶2. (C) Jaishankar opened the conversation by describing the tangible progress, increased substantive bilateral interaction, and improved collaboration that developed since the November 2005 DPG meetings. Specifically, he felt that the Indian side had learned how to quickly and clearly articulate what they wanted, particularly in the areas of end-use monitoring and Foreign Military Sales procedures, and had communicated in more specific language instead of ambiguous generalities. Jaishankar said that "this is an evolution" and a "huge change at the bilateral level." In the past, the Indian side simply ignored U.S. perspectives. Now, there was a growing inter-agency effort in the GOI to make sure to say exactly what it wants in open forums with the U.S. side. The culture, emphasized Jaishankar, had changed. Even the discussions on the Logistics Support Agreement (LSA) and Communications Interoperability and Security Memorandum of Agreement (CISMOA), in his view, were moving along smartly.

Taking American Intentions More Seriously

¶3. (C) Jaishankar told DCM that he also observed enhanced cooperation after receiving a recent Letter of Offer and Acceptance (LOA) with the standard U.S. language on end-use monitoring (EUM) procedures. Jaishankar noted, with respect to the difficult bureaucratic aspects of most U.S. positions on procurements that, "normally, when we get letters of this nature, we can't stop laughing for 72 hours. But now, we've got General Kohler and two or three other people to sit down with two acquisition managers and dissect the letter. In the old days, we would have ignored the letter. Now, the general

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thinking is, If it's the US, let's negotiate."

Hurdles on Handling the MRCA

¶4. (C) Despite increased levels of comfort, Jaishankar was still attentive to defense cooperation obstacles. He reported that Indian Defense Minister A.K. Antony was forcing a second round of clearances in the GoI interagency process. In addition, Jaishankar commented at length about discrepancies in U.S. and Indian understandings on how to navigate through the competition for India's MRCA contracts. For example, while U.S. companies tend to operate under the assumption that they will negotiate specifics on the MRCA contracts after their particular aircraft is selected, the Indians feel that all price and offset negotiation must occur before selecting an aircraft. Unfazed, Jaishankar waived off the particulars as "a process challenge" that must be synchronized. The Indians, he said, were now past the generalities and were "transaction oriented," but there needed to be a meshing process to blend rigidities on both sides into a workable framework, given the gaps between the U.S. side's LOA and the Indian side's RFP methods.

Urges U.S. Sensitivity on India's Views on Pakistan

¶5. (C) Jaishankar also described the importance of smaller settings to conduct business and suggested improved GoI coordination with the planners at CENTCOM. Jaishankar expressed appreciation for Edelman's thoughtful assessment of recent events in Afghanistan and Pakistan, acknowledging India's displeasure with the Waziristan deal and implications of suicide bombings, and appearing sympathetic to India's precarious relations with its neighbors. In this context, he warned that large U.S. defense sales to Pakistan continued to pose a psychological hurdle to India procurement if major defense systems from the U.S.

Making the Right Personnel Choices

¶6. (C) Jaishankar confirmed that Ministry of Defense Director General (Acquisition) S. Banerjee is very positive on Indo-U.S. ties, but warned DCM that the Indian Ministry of Defense was worried about conducting dialogues with a non-defense (State Department) lead. DCM assured Jaishankar that the direct military-to-military channel is now more open than in the past, adding that the addition of Deputy Secretary of Defense Lawless would provide the MoD with a

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solid, capable interlocutor in OSD, but also underlined the importance of State's Pol-Mil bureau and working group led by DAS Suchan. Jaishankar agreed that such personnel choices on both sides paved the way for excellent future interaction, commenting that having a Joint Secretary-level officer as DAS Suchan's counterpart on the Indian side provides the right measure of seniority for handling tricky issues, and also

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gives him the necessary clout to involve the Indian DGMI and DIA when necessary.

Comment: An Encouraging Report Card

¶7. (C) Jaishankar is a veteran of the DPG and his comments underscoring progress in the military-military relationship should be taken positively. His criticism of Pakistan arms sales aside, for him to describe these meetings as an "evolution" likely speaks for a majority opinion in the GoI that the defense relationship is moving in the right direction. Post assesses Jaishankar's comments as an Indian endorsement of not only the 2006 DPG, but also the defense relationship -- still with its problems, to be sure, but a positive, integral part of the wider strategic partnership.
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